IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re: \$ Chapter 11 \$ Case No. 24-13262PMM \$ Debtor. \$ \$

MOTION OF THE UNITED STATES TRUSTEE TO DISMISS CASE

Andrew R. Vara, the United States Trustee for Region 3 ("<u>U.S. Trustee</u>"), by and through his undersigned counsel, hereby moves (this "<u>Motion</u>") for entry of an order, pursuant to sections 105(a) and 1112(b) of title 11 of the United States Code (11 U.S.C. § 101 *et seq.*, the "<u>Bankruptcy Code</u>"), dismissing the above-captioned case. In support of this Motion, the U.S. Trustee states as follows:

BACKGROUND

- 1. On September 13,2024 (the "<u>Petition Date</u>"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.
- 2. The Debtor is identified on the Petition as a corporation, employer identification number 85-304933.
- 3. The Debtor failed to identify the name and/or names of any attorney(s) designated to represent the Debtor on its Petition. Instead, the Debtor indicates that it is not represented by an attorney in this proceeding and is proceeding *pro se*.
- 4. The U.S. Trustee consents to the entry of a final order or judgment by the court if it is determined that the court, absent consent of the parties, cannot

enter a final order or judgment consistent with Article III of the United States Constitution. See L.B.R. 9014-3(b)(2).

RELIEF REQUESTED

- 5. Through this Motion, the U.S. Trustee seeks entry of an order dismissing the Debtor's case.
- 6. The Debtor's petition for relief under chapter 11 of the Bankruptcy Code is deficient and must be dismissed. The law is clear that a corporation must be represented by counsel in a bankruptcy proceeding and may not file a bankruptcy petition pro se. Rowland v. Ca. Men's Colony, Unit II Men's Advisory Council, 506 U.S. 194, 201-02 (1993) ("It has been the law for the better part of two centuries ... that a corporation may appear in the federal courts only through licensed counsel."); United States v. Cocivera, 104 F.3d 566, 572 (3d Cir. 1996) (same); In re Kee, 2015 Bankr. LEXIS 3402, at *6 (Bankr. E.D. Pa. Oct. 7, 2015) ("It is well settled under federal law ... that artificial entities, such as a limited liability company, must appear in a federal court through counsel and may not appear pro se.") see also Williams v. United States, 477 F. App'x 9, 10-11 (3d Cir. 2012); Simbraw, Inc. v. United States, 367 F.2d 373, 374-75 (3d Cir. 1966).
- 7. Similarly, an individual without a license to practice law cannot file a petition on behalf of a corporate entity. *In re Kee*, 2015 Bankr. LEXIS 3402, at *6 (Bankr. E.D. Pa. Oct. 7, 2015) ("A party may not appear pro se in court in the capacity as an attorney-in-fact for another party. Such conduct constitutes the unauthorized practice of law.");.

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- 8. Lack of legal representation is grounds alone to dismiss a bankruptcy case brought by a corporation in federal court. *In re Spencer C. Young Invs./The Courtyard of Chapel Hill*, 2009 Bankr. LEXIS 869, at *8-10 (Bankr. M.D.N.C. Feb. 4, 2009) ("An individual without a license to practice law cannot act on behalf of a corporate entity in filing a bankruptcy petition ... The Debtor's failure to obtain counsel continues grounds for dismissal."); *In re Dick Tracy Ins. Agency*, 204 B.R. 38, 39 (Bankr. W.D. Mo. 1997) (holding that filing a bankruptcy petition on behalf of a corporation by a non-attorney constitutes the unauthorized practice of law, and a petition filed in that manner should be dismissed as null and void).
- 9. The Debtor also failed to file a corporate resolution evidencing that the agent signing the Petition was authorized to file the Petition on behalf of the Debtor.
- 10. Pursuant to Bankruptcy Code section 1112(b) a case may be dismissed or converted to another chapter for cause. Based on the above the U. S. trustee avers that cause exists for the dismissal of this case.

CONCLUSION

WHEREFORE, the U.S. Trustee respectfully requests the entry of an order granting the relief requested herein and granting such other and further relief as the Court deems just and proper.

Dated: September 17, 2024 Respectfully submitted,

ANDREW R. VARA UNITED STATES TRUSTEE For Regions 3 and 9

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